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Farm Outlook

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Farm Outlook...

by Francis A. Kutish

CATTLEMEN increased the total number of cattle and calves on farms and ranches by over 3 million head last year. This represents a sizable turn-around in the cattle cycle. It pushes cattle numbers up roughly to the previous record which was reached on Jan. 1, 1956.

The most surprising thing about the Jan. 1, 1959, count of cattle numbers was the sharp increase in the numbers of beef cows. Beef cow numbers increased 5 percent.

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When we take into account the record number of beef heifers 1 to 2 years old—which includes many heifers held back for breeding purposes—and the record number of calves under 1 year of age, the stage is set for a sizable increase in cattle production for the next few years.

The increase in cattle numbers during 1958 was the first since 1956. And it represents one of the larger upturns recorded in the cattle industry. This increase of 3 million, however, still is moderate in comparison with the sharp upsurge in numbers which occurred in 1951 and 1952. Then, 6 million

head were added each year. And the '51-'52 increases were followed by a "bust" in cattle prices a few years later.

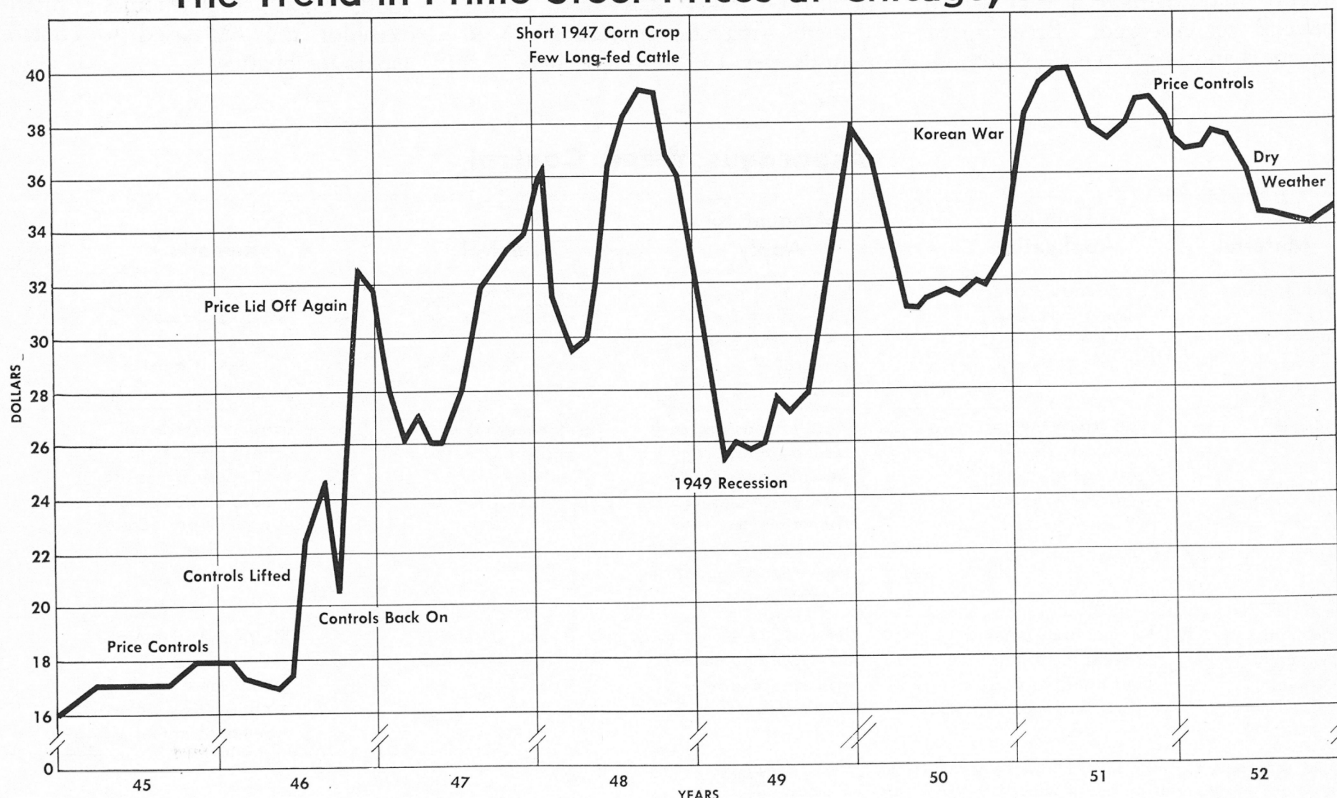
Part of the increase in cattle numbers in 1958 was accounted for by the additional numbers of cattle and calves on feed. The Jan. 1 total included 6.5 million head of cattle and calves on feed. A year earlier, this figure totaled only 5.9 million head.

The total number of beef cows 2 years old and older on Jan. 1, 1951, was 1.3 million head more than a year earlier. The total number now is nearly double the number on hand at the beginning of 1942 when this country entered World War II.

The current large number of beef cows include many that were held back for "one more calf." Thus, we'll probably begin to see some increase in the number of beef cows sold for slaughter next fall. The sale of slaughter cows last fall was very small. In fact, there was no fall decline in cow prices such as usually occurs.

Producers planning to cull their beef cow herds in the next few years probably will find 1959 the best year in which to do this. By

The Trend in Prime Steer Prices at Chicago, 1945-53



1960, the sale of cull cows will increase, and prices will be lower.

Farmers who are thinking about going into the beef-raising business should recognize that we're now in the period of peak profits in the beef cycle. Cows and calves can be expected to bring significantly lower prices a couple of years from now. Getting into the beef business now means going in at the high time—and then riding a drop in your inventory value.

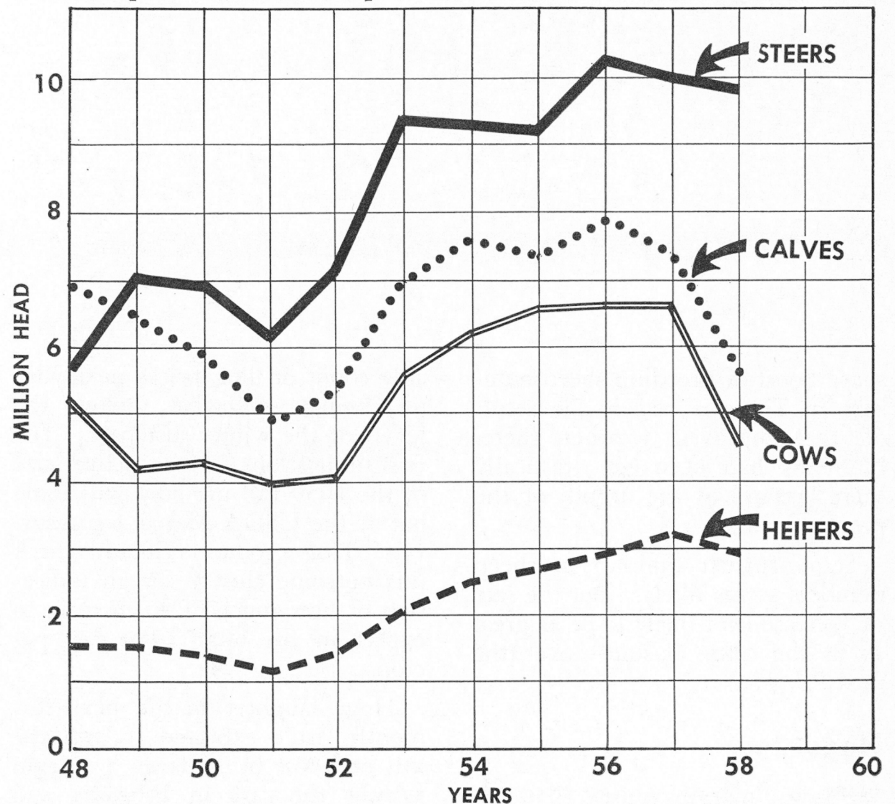
Sheep . . .

Sheep numbers took a spurt upward last year. The Jan. 1 number of stock sheep and lambs on farms and ranches was 4 percent larger than at the beginning of 1958. It adds up to the largest number of sheep breeding stock since Jan. 1, 1948.

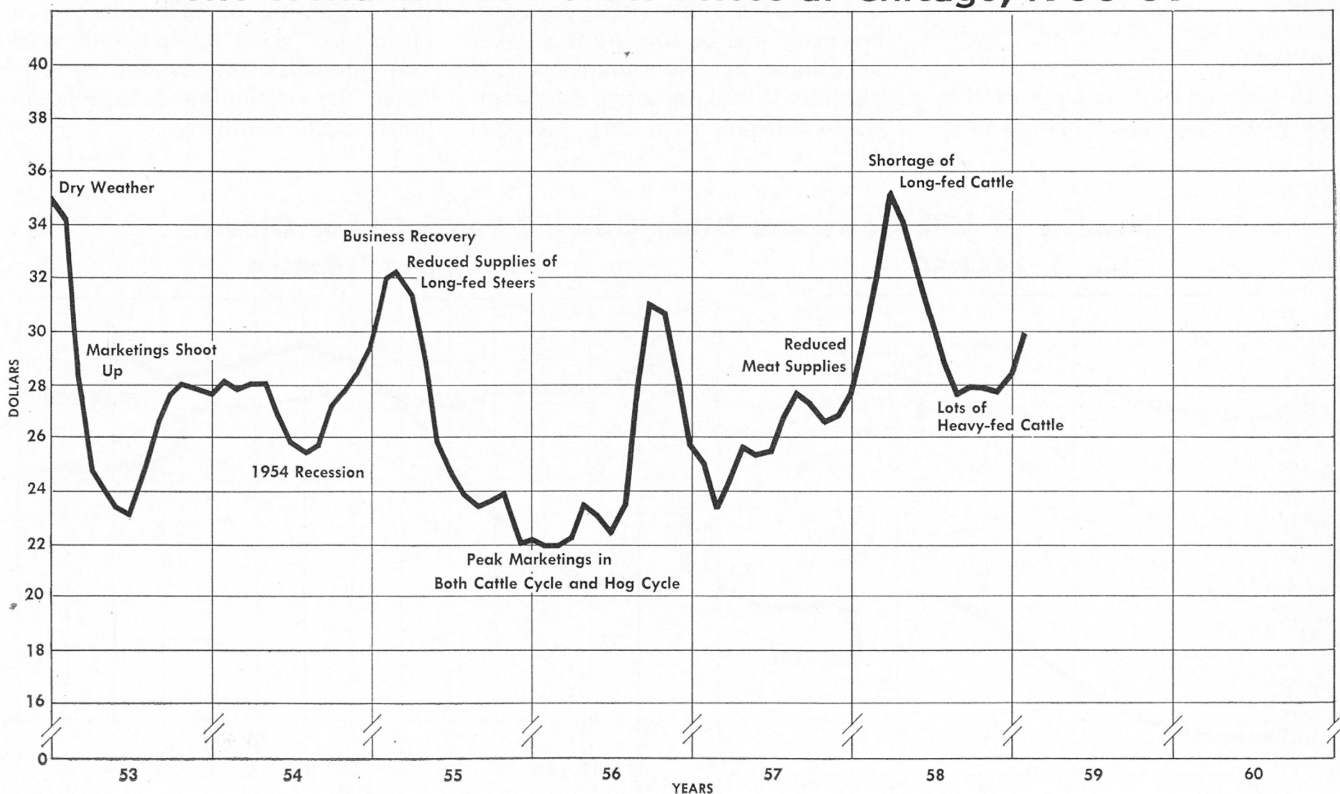
All classes of stock sheep increased in numbers from a year earlier. Ewe lambs were up 8 percent; ewes were up 3 percent.

Texas, the leading sheep state, showed a 10-percent boost in stock sheep numbers—by far the largest increase of any state. The native sheep states, meanwhile, continued their small rates of increase. The

Cattle Slaughtered Under Federal Inspection by Classes - 1948-58



The Trend in Prime Steer Prices at Chicago, 1953-59



sharp boost of breeding sheep numbers in Texas is largely the result of the improved weather there. Numbers had been cut drastically there because of the drouth of the previous years.

Some further buildup in sheep numbers seems likely. But the rate of increase isn't likely to be as great as in the cattle business over the next few years.

Hogs . . .

Feeding margins on the 1959 fall pig crop aren't likely to be much, if any, above average. While the expectation is for "dollar corn" next fall—assuming normal weather—the total number of hogs being raised is increasing. So marketings next winter probably will be even larger than those of the past winter.

In making 1959 fall pig production plans, hog raisers should prob-

ably count on hog prices next winter being somewhat below the levels of the winter just past. The first indications of the actual size of the 1959 fall pig crop will come out of the USDA March 1 pig survey. Hog producers should check this outcome closely for an indication of how much of an increase to expect in the total 1959 fall pig crop.

Hog slaughter in the next few months isn't expected to top the kill of 1958 by as large a margin as was the case in February and March. The May and June slaughter will likely show a substantial drop from the March and April marks. And prices, in turn, are expected to show some seasonal advance.

The larger 1959 spring pig crop, however, will be moving to market in volume by late summer. This provides a real incentive for farmers to full-feed their early pigs this

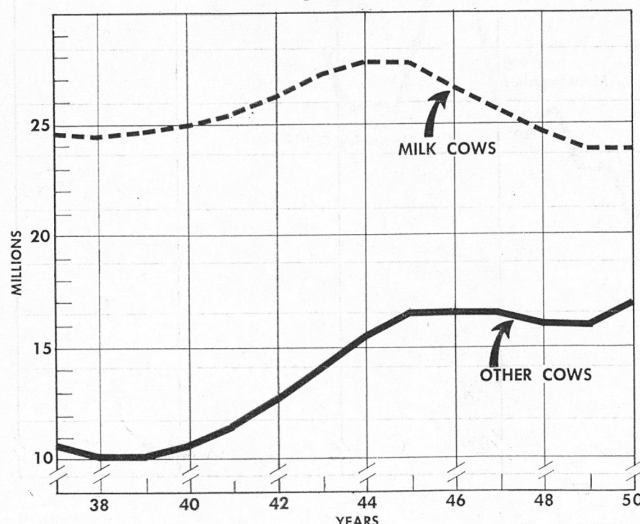
year and to head them for sale in July and August. By September the fall price drop probably will be well under way.

Dairy . . .

Numbers of milk cows and heifers over 2 years old declined further in 1958. This continues the downtrend which has been going on since the peak in milk cow numbers which was reached Jan. 1, 1945. The number this last January was about 6 million fewer than at the 1945 peak. The present number of milk cows is the smallest since 1921.

The numbers of dairy heifers and heifer calves held for replacement was up less than 1 percent at the beginning of this year over a year ago. So it doesn't look as if any immediate turn-around is likely from the continuing downtrend in dairy cattle numbers.

Number of Milk Cows and Other Cows, 2 Years Old or Older.
Jan. 1, 1937-50



Jan. 1, 1948-59

